

# **Blue Ribbon Commission on Transportation Administration Committee**

## **Final Meeting Summary** *Approved December 10, 1999*

**November 19, 1999**

**Present:** Doug Hurley, Chair, Representative Ruth Fisher, Tomio Moriguchi, Connie Niva, Senator Dino Rossi, Randy Scott, Don Briscoe (Investment Strategies Committee)

**Absent:** Peter Bennett, Greg Devereux, Bob Dilger, Pat Notter, Ken Smith, Judie Stanton

**Others in Attendance:** David Allen (Transportation Choices Coalition), Kim Becklund (City of Bellevue), Mary McCumber (Puget Sound Regional Council), Chris Mudgett (County Road Administration Board), Charlie Shell (City of Seattle), Jim Seitz (Association of Washington Cities), Chris Rose (Washington State Transportation Commission), Dan Snow (Washington State Transit Association), Gretchen White (Washington State Department of Transportation), Jackie White

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The Chair called the meeting to order at 9:15 a.m. The Committee approved the summary of the October 14th meeting as drafted.

The Chair noted that Doug Beighle, Co-chair of the Blue Ribbon Commission, recently met with the Governor, who expressed the conviction that the work of the Commission is needed more than ever since the passage of Initiative 695. The Chair outlined the Committee work plan between now and May 2000, when a package of policy options will go to the full Commission for consideration. After public outreach, the Commission will deliver its recommendations in December 2000, before the 2001 Legislative session begins.

### **Committee Review of Preliminary Options**

The Committee reviewed the list of preliminary options collected from the discussion papers and committee meetings in the four categories: project delivery efficiencies, operations and maintenance efficiencies, permitting, and governance. Patricia Boies, Committee staff, walked through a list of options under each of these categories, adding that keeping the status quo was always an option.

## **Project Delivery Efficiencies**

Project delivery efficiencies fall into two types: streamlining project delivery, and alternative project delivery. The principles underlying streamlining project delivery are improved project management, enhanced team planning, and work schedule acceleration. Options to achieve these principles include:

- beginning environmental review earlier in the process;
- using a more efficient design process — assembling a new team focused specifically on one project, and streamlining design review, with high levels of coordination and elimination of redundant reviews;
- including utility work as part of the construction contract; providing greater flexibility as part of the construction contract, so that the contractor can bid any alternatives without going through an approval process; and
- running several phases of projects concurrently.

The option generating the most discussion was running several phases of a project concurrently. Exactly how that could be done was questioned. The DuPont Interchange project was unusual in that the project was completely funded by Weyerhaeuser. Fiscal certainty for the life of the project existed, not usually the case in the two-year funding cycle for transportation projects. The financial risk that Weyerhaeuser was willing to take in funding the project allowed WSDOT to alter its standard design process for managing publicly funded projects and to run environmental and design processes concurrently, giving WSDOT flexibility in allocating resources.

In the private sector, the benefit of taking risks is the associated reward when the risks prove successful. The benefits were worth the risk to Weyerhaeuser because of the time savings. Private companies know that even if mistakes happen, this will cost less overall than would using a longer process without mistakes. Public agencies are held back by the fear of criticism and potential legal liabilities that might occur if mistakes are made or processes repeated.

Would it be productive for the legislature to state, “WSDOT ought to take risk?” Unless the Committee can say how that can be accomplished, such a directive would not be particularly helpful. Personnel is also a barrier to running several phases of a project concurrently, as well as to assembling a new team focused specifically on one project. The district administrators have to choose which projects to do. First priority will go to the project at the top of the list. If the transportation agencies had complete funding for projects, more could be done concurrently because all the financing would be available. The “peanut butter” approach is not efficient, acting as a barrier to efficient batching of projects.

Prepurchasing of specialized equipment is often necessary on large projects; wastewater treatment plants, for example, could not be done without prepurchasing. On a smaller scale, for example, Seattle can buy signal equipment early; the Transportation Improvement Board lets them do some pre-purchasing. The stability of utility rate funds versus instability of two-year funds, affords the ability to do prepurchasing.

Turning to alternative project delivery (APD), the principles are to accelerate the projects and supplement public investments. Options, described in detail in the discussion paper called Project Delivery Efficiencies, include:

- using design-build and other forms of APD, such as design-build-operate, in transportation projects at all levels and for all jurisdictions; and
- using public-private initiatives (PPI), to provide transportation improvements using private sector financing and expertise.

Legislative unwillingness to extending APD tools was seen as due not only to reluctance to give up control, but also to a lack of understanding of the design-build concept. Education will be significant to any effort to extend design-build, and the Committee must include education in its recommendations.

WSDOT and other jurisdictions with expertise could assist in the education effort. The authorization to share resources between governmental entities should be provided. Sharing of resources between jurisdictions is hindered currently. The constraint against signal inspection, described below, is one illustration of such hindrance.

As for further use of public-private initiatives, and whether the original breadth of the PPI legislation should be restored, the sense was that the timing was not right, given the political climate. People are especially reluctant to have to pay for using existing roads or bridges, even if they are improved. If a quicker, newer piece of pavement were involved, the public would be less opposed.

### **Operations and Maintenance Efficiencies Options**

The principles underlying operations and maintenance efficiencies are cost savings; creativity in administration, operation and maintenance; and improved understanding of costs of operations, including enhanced management and financial accounting systems that provide a better view of project histories through all phases, from design through construction. Options include:

- workplace reengineering — forming project teams, goal-setting, and encouraging employees, especially those on the front line, to generate ideas for reforms and innovative approaches;
- managed competition for highway maintenance services — private sector bids sought for some maintenance activities, and compared to a bid from the public staff currently performing the service;

- better analysis and reporting of operation and maintenance costs at state, county and city levels by refining BARS codes and guidelines on their use;
- incentives and technical assistance to cities to implement pavement management systems and to use life cycle cost approaches to roadway maintenance and preservation; and
- data-gathering that allows comparisons to benchmarks.

Most of the Committee discussion dealt with how to understand, report, and assess the performance of transportation agencies. There is a public lack of confidence that government spends wisely on transportation operations and maintenance. The Chair expressed the view that we should shine the light so that we are able to describe what and how well government is doing. There was some discussion of the validity of comparing cities with each other, particularly when different jurisdictions follow different accounting procedures, as opposed to their doing a self-evaluation. There is a lot of new performance measure work going on, and the Commission's Benchmarks Committee is starting to look at the issue of benchmarks and appropriate comparisons, but just what are good measures and ratios is an evolving discussion. Although government should not spend too much time and money to prove how well it is doing, especially when support services are on the chopping block in budget tightening, in order to be accountable there must be a way to go behind the numbers and understand the costs. The December Administration Committee meeting will take a look at administration/overhead costs and construction costs in this state.

Two new efficiency issues were raised as options under operations and maintenance efficiencies. WSDOT, cities, and the counties have been concerned about the Department of Labor and Industries position that if they perform electrical maintenance for other jurisdictions, including traffic signal inspections, they are in violation of statute because none of those governmental entities have contractors' licenses. L&I has threatened to fine WSDOT if its employees so much as change a light bulb on right-of-way that is not state-owned. This has led to project delays that increase the costs of not only the jurisdictions involved but also the contractors that must wait for L&I to schedule their inspections. A bill is being drafted to allow cities, counties, and WSDOT to install, maintain, and inspect traffic signal systems on their own and each other's rights of way.

Another bill is being sought by Grant County to enable it to help its small cities with maintenance of their streets. Only two of the 14 cities in Grant County have more than 5,000 people. Currently state law allows counties to spend money on city streets only for cities of less than 1,000 people. Grant County is interested in having that figure raised, to better assist its small cities. Because cities and counties are creatures of the state, their powers are up to the Legislature. Often laws restricting the powers of cities and counties are enacted because of a particular bad incident that happened in one jurisdiction; the tendency is to legislate for the minority bad cases, making everybody else suffer. Yet why should a county have to go to the state legislature and lobby a bill when it wants to act on a sensible desire to do something efficiently? The Legislature itself can be a barrier to efficiency, commented committee members; jurisdictions should have as many options at their disposal as possible.

The Committee agreed that this is a good time for the Legislature to pass such efficiency-related non-revenue bills. Other possible efficiencies we will hear more about include the merger of public works in Kelso and Longview.

## **Permit Reform**

The Committee turned next to reform of the permitting system, with the aim of reducing permitting costs and time, while protecting the environment. Options include:

- better integration of planning and NEPA/SEPA environmental impact statement (EIS) process;
- early engagement of stakeholders to aid in reaching solid decisions that will stick;
- better coordination for environmental mitigation across jurisdictions, including watershed-based planning and mitigation using GIS maps;
- using pilot projects to test and promote potential reforms;
- funding staff in resource agencies to review permit applications;
- simplifying notice requirements, reducing the different public notice requirements with different procedures;
- creating permitting centers that include key staff to improve permit coordination;
- establishing standards for timely environmental review and permitting; differential standards could be set for projects of different scales, but in no case taking longer than two years, for example; and
- establishing interagency agreements early in the decision-making process at the federal, state, and local level, that (a) identify the level of engineering detail required for various components of a project and (b) set deadlines for each review.

The first few of these are under way in some measure at WSDOT, as was described by Jerry Alb in his presentation to the Committee.

On the option of permitting centers, Kim Becklund of the City of Bellevue reported that the APWA's Transportation Comm views these as a viable way to improve the current situation. Office space for the localized permit center could house representatives from federal, state, and local agencies to act as liaisons and coordinate responses and requirements — a kind of one-stop shopping for permits. This would allow “triage” for applicants to understand which permits are needed, how long the review will take, who are the key contact staff members, what the critical paths are, and who has final authority to decide and issue permits. The center could also have “certified agency status,” empowering it to be the final say for environmental concerns. Although start-up costs would be involved in establishing permit centers, the greater certainty, reduced time and cost, coordinated solutions and consensus could lead to savings overall. There might be one permit center per county.

Adequate training is crucial. Most training is done on the job, as opposed to in institutions of higher

education, and permit rules can be mind-boggling. So part of project delivery training should be permit training. But WSDOT and Department of Ecology revenues have been shrinking, and providing sufficient staffing for these and other agencies is tougher than ever.

Mary McCumber spoke about the idea with the Growth Management Act to allow more planning upfront, more programmatic and subarea master planning rather than project level decisionmaking. Chris Mudgett of CRAB said that at South Everett in Snohomish County, some programmatic environmental review was done before projects came in, although whether this was done for infrastructure as well as housing or buildings was unclear.

The U.S. Army Corps of engineers was criticized as tending to come into the permitting process at a late date, without having participated in earlier discussions, and raising either new alternatives or those that had been resolved earlier. The Corps 404 wetlands permit cannot be obtained until everything else has been done. The Corps, who are posted here and not part of the community, treat all states as though they have low environmental standards, although Washington's environmental review process is far better than many states, such as Idaho. Trying to involve the EPA and the Corps earlier in planning is difficult, however.

Kim Becklund also pointed to the I-405 study underway, which processed the needs statement and the environmental screening levels faster than ever before. The Chair cautioned that because this is one of three state demonstration projects, it may not serve as a model with broad applicability.

## **Governance**

The Committee turned next to governance issues. The primary principle under governance is improved accountability for planning, construction, maintenance, and funding of transportation system. Under discussion were both regional and statewide options.

Regional options include, in appropriate areas of the state, designating or creating a regional entity with responsibility for planning, funding, and implementing transportation projects. Issues in considering a regional entity would be its boundaries, whether the governing body should be directly elected or appointed, the extent of its responsibility, the funding authority and source, and in what areas of the state such an entity would be useful.

There was discussion of Sound Transit, an agency that can plan, fund, and implement transit projects, and the legislative decision to make it a federated body with an 18-member board composed of elected city and county officials. The advantage of such a federated model is that the local officials serving on the board also are responsible for land use and other local decisions. A directly elected body, such as Portland's Metro, where the officials serve full-time, is responsible to the voters who elected them to fill that particular transportation responsibility. Many active members of the community, however, are often comfortable with their local officials, with whom they work on other issues.

A federated model could have many forms. The transportation responsibility could go to the regional transportation planning organization or to the counties. In the Puget Sound region, for example, besides King County itself the entity made responsible for transportation could be the Puget Sound Regional Council or the Growth Management Planning Council.

Statewide issues include whether to retain the composition and authority of the Washington Transportation Commission or to make changes. Changes could include having the Governor appoint the Secretary of Transportation or focusing WTC authority on accountability — making it responsible for reporting transportation budget and expenditures for all public entities statewide and tracking transportation benchmarks.

The Governor appoints the members of the WTC, who appoint the Secretary of Transportation, so the Governor does have say over who should be the Secretary of Transportation. Comments were made that it is difficult for the WTC to set priorities when the legislature has its wish list of detailed projects, which is not the way other states proceed.

During the public comment period, David Allen, of Transportation Choices Coalition, addressed the committee. His organization supports a balanced transportation system that promotes alternatives to driving alone. He distributed a summary of public opinion research finding strong support of transit and rail alternatives. He also pointed to data from a recent report by the Texas Transportation Institute that attributes congestion not simply to population growth but mostly to an increase in driving per person.

### **Next Meeting**

The next Committee meeting is scheduled for **Friday, December 10, 8:30 a.m.–12:00 p.m.**, in the Yakima Suite of the SeaTac Marriott Hotel.

The meeting was adjourned at 12:05 p.m.